

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
In re	:
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i>,	:
	:
Debtors.	:
	:
-----X	

Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)
:

**APPLICATION OF PHILIP JONES QC FOR AN AWARD OF COMPENSATION
FOR THE PERIOD OCTOBER 1 2010 TO OCTOBER 30 2010**

Name of Applicant:	Philip Jones QC
Authorised to provide professional services to:	The estate of Lehman Brothers Holdings, Inc <i>et al.</i> , as an ordinary course professional
Date of retention:	September 7 2009
Monthly fees sought for payment:	GB£119,650 (US\$194,311.60)
Exchange rate:	1GB£ = US\$1.624 (October 30 2010)
Fees incurred in preparing this application:	£3,000 (US\$4,667.10 at 10 January 2011 rate 1GB£ to 1US\$1.5557)
Total amount sought for payment:	GB£122,650 (\$198,978.70)
Total hours incurred in October 2010:	239.3
Hourly rate:	GB£500 per hour (US\$812 per hour – exchange rate 30 October 2010)

Hours incurred in preparing this application: 6

Hourly rate: GB£500 (US\$777.85 per
hour – exchange rate 10
January 2011)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
In re	:
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	:
	:
Debtors.	:
	:
-----X	

**APPLICATION OF PHILIP JONES QC FOR AN AWARD OF COMPENSATION
FOR THE PERIOD OCTOBER 1 2010 TO OCTOBER 30 2010**

Philip Jones, Queen's Counsel, authorised to provide legal services as an Ordinary Course Professional to Lehman Brothers Holdings, Inc (**LBHI**) and its affiliated debtors in the above captioned chapter 11 cases (together referred to as **Lehman** or the **Debtors**), makes this application pursuant to sections 330 and 331 of chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101 et seq (**Bankruptcy Code**), and the Amended Order Pursuant to Section 105(a), 327, 328 and 330 of the Bankruptcy Code Authorizing the Debtors to Employ Professionals Utilized in the Ordinary Course of Business Order, dated March 25, 2010 (**Ordinary Course Professional Order**), for an award of compensation for professional services rendered to the Debtors (**Application**) in the amount of GB£119,650 (US\$194,311.60), incurred during the period October 1 2010 to October 30 2010 (**Period**) and fees incurred in January 2011 for preparing this application of GB£3,000 (US\$4,667.10).

INTRODUCTION

1. On September 15, 2008 and periodically thereafter (**Commencement Date**), LBHI and certain of its subsidiaries filed voluntary cases under chapter 11 of the Bankruptcy Code. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (**Bankruptcy Rules**). The Debtors are authorised to operate their businesses and manage their properties as debtors-in-possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code.

2. Due to the scope of the Debtors' business, on October 13, 2008, the Debtors filed a motion (**Ordinary Course Professional Motion**) seeking authorisation pursuant to section 105(a), 327, 328 and 330 of the Bankruptcy Code, to retain, *nunc pro tunc* to the Commencement Date, professionals utilized in the ordinary course of business (**Ordinary Course Professionals**) without the submission of separate retention applications and the issuance of separate retention orders for each individual professional.

3. The Ordinary Course Professional Motion was granted by an order dated November 5, 2008 and was amended on March 25, 2010 (**Ordinary Course Professional Order**). The Ordinary Course Professional Order outlines the procedures that all Ordinary Course Professionals must follow in order to receive compensation and reimbursement of expenses for services provided to the Debtors. With respect to any Ordinary Course Professional seeking compensation in excess of US\$150,000 in any given month, the Ordinary Course Professional Order provides, in pertinent part:

“that in the event that an Ordinary Course Professional seeks more than US\$150,000 per month, that professional will be required to file a fee application for the full amount of its fees and expenses for that month in accordance with sections 330 and 331 of the Bankruptcy Code, the [Bankruptcy Rules], the Local

Bankruptcy Rules for the Southern District of New York, the Fee Guidelines promulgated by the US Trustee, and any and all orders of the Court ...”

4. In September 2009, the Debtors filed a Notice of List of Ordinary Course Professionals (**Ordinary Course Professional Application**) with the United States Bankruptcy Court Southern District of New York listing Philip Jones as an Ordinary Course Professional and attaching thereto the relevant Ordinary Court Professional Affidavit and Retention Questionnaire. Because no objections were timely filed with respect to such notice, the retention, employment and compensation of Philip Jones was deemed approved pursuant to section 327 and 328 of the Bankruptcy Code without the need for a hearing and without further order from the Court.

5. This Application is made by Philip Jones for an allowance of fair and reasonable compensation for professional services rendered by him during the Period, consistent with the results achieved, the time, labour and expertise brought to bear on the problems presented and other related factors. The amounts sought for compensation for professional services are at the hourly rates customarily charged by Philip Jones for legal services rendered by him and are in line with the rates charged by Queen’s Counsel barrister (trial lawyers) operating in a competitive market for legal services.

6. The professional services for which compensation is sought were rendered in the ordinary course of the Debtors’ business and solely on behalf of LBHI and its debtor affiliates.

7. Philip Jones maintains records of the time expended by him in the rendition of all professional services on behalf of the Debtors. These records were made substantially concurrently with the rendition of the professional services.

8. There is annexed hereto as Annexure “A” the time spent by Philip Jones during October 2010.

BACKGROUND

The Debtors

9. Prior to the events leading up to these chapter 11 cases, Lehman was the fourth largest investment bank in the United States. For more than 150 years, Lehman has been a leader in the global financial markets, serving the financial needs of corporations, governmental units, institutional clients and individuals worldwide. Its headquarters in New York and regional headquarters in London and Tokyo are complimented by a network of offices in North America, Europe, the Middle East, Latin America and the Asia Pacific Region.

10. Additional information regarding the Debtors’ business, capital structures and the circumstances leading to chapter 11 filings is contained in the Affidavit of Ian T. Lowitt pursuant to rule 1007-2 of the Local Bankruptcy Rules for the Southern district of New York in Support of the First-Day Motions and Applications, filed on September 15, 2008 [Docket No. 2]

Philip Jones QC

11. Philip Jones is a member of the Bar of England and Wales. He was called to the Bar in July 1985. In October 2006 he was appointed to the rank of Queen’s Counsel. Queen’s Counsel are appointed by an Independent Panel. The rank is awarded to those who display outstanding advocacy skills in the Courts of England and Wales. Only about 10% of barristers ever become Queen’s Counsel. Despite the name and its historical origins, it today has nothing to do with representing the Crown or the State. It is designed

to identify for the market those barristers who are regarded as being outstanding advocates.

12. The legal profession in England and Wales is divided between barristers and solicitors. At one time, barristers had exclusive rights of audience in the High Court and higher Courts. Although they no longer have monopoly rights, in almost all major cases solicitors instruct barristers to conduct the advocacy. Members of the public do not generally go direct to barristers. They go to solicitors who then instruct barristers. Barristers and solicitors work in conjunction with each other during the litigation.

13. Barristers are generally self employed, but group within 'chambers' to share expenses and support services. Philip Jones is a member of the chambers known as Serle Court at 6 New Square, Lincoln's Inn, London, WC2A 3QS, UK.

14. In terms of US terminology, barristers perform the functions that 'trial lawyers' perform in the US.

SERVICES RENDERED BY PHILIP JONES DURING THE PERIOD

15. All the time incurred by Philip Jones during the Period was incurred in respect of the preparation for and attending the trial between Lehman Brothers International (Europe) (a corporation incorporated in the UK, and now in administration, the UK equivalent of chapter 11) (**LBIE**) and Lehman Brothers Special Financing Inc (**LBSF**) and others.

16. LBSF is incorporated in Delaware and is a subsidiary of LBHI. It is an affiliated debtor. LBSF is authorised to operate its business and manage its properties as debtors-in-possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code. These proceedings have been consolidated with the chapter 11 proceedings for LBHI for

procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Bankruptcy Rules.

17. The trial was known as 'the RASCALS litigation'. RASCALS stands for 'the Regulation and Administration of Safe Custody and Global Settlement'. It involved the disputed ownership of assets which had been acquired by LBIE when acting as settlement agent for LBSF and various other affiliates. The value of the assets in dispute was considered to be about US1bn.

18. The trial commenced on October 11, 2010 and concluded on October 29, 2010. Philip Jones made all the oral submissions to the Court on behalf of LBSF and conducted all the cross examination on behalf of LBSF. From October 1, 2010 to October 10, 2010 Philip Jones was preparing for the trial. That included the usual preparation, such as studying the documentation to be deployed at trial by the parties, the written submissions presented by other parties and the written evidence to be put before the Court. Apart from attending Court, considerable work was also involved both before and after Court each day in preparing for the forthcoming day's hearing and preparing closing submissions.

19. The issues present in the case were novel, complex and difficult. The judgment by the judge extended to 97 pages.

20. During October 2010 Philip Jones was engaged heavily on this matter and was not able to undertake much other work.

21. Philip Jones believes that the award of compensation requested in this Application is fair and reasonable and is line with amounts charged by Queen's Counsel. Philip Jones requests that this Court award all fees sought in this Application.

CONCLUSION

22. Philip Jones respectfully requests that this Court enter an order substantially in the form attach as Annexure "B" approving GB£119,650 (US\$194,311.60) plus GB£3,000 (US\$4,667.10) (the cost of preparing this application) as the fair and reasonable value of his actual and necessary professional services rendered by him to the Debtors during the Period. The total amount claimed is GB£122,650 (US\$198,978.70).

Philip Jones QC
Serle Court
6 New Square
Lincoln's Inn
London
UK
WC2A 3QS

Ordinary Course Professional for
Lehman Brothers Holdings, Inc *et al*,
Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al</i>,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
	:
	:
-----X	

**STATEMENT PURSUANT TO FEDERAL RULE OF BANKRUPTCY
PROCEDURE 2016(b)**

1. I am Philip Jones, an Ordinary Course Professional for Lehman Brothers Holdings, Inc (**LBHI**) and its affiliated Debtors in the above referenced chapter 11 cases (collectively referred to as **Lehman** or the **Debtors**).
2. I submit that all of the professional services for which the annexed Application is made have been rendered solely for the benefit of the Debtors' estates and its creditors.
3. No agreement exists between me and any other person, firm or entity concerning the compensation or reimbursement received as a result of this case.

4. I have received no retainer in the cases and have made no agreements with the Debtor for compensation or reimbursement.

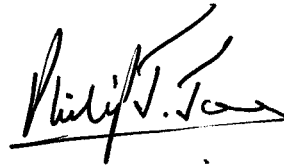
5. I have received no transfer, assignment or pledge of property of the Debtors' estate except pursuant to an Order of the Court for compensation.

London,

United Kingdom

Dated: March 30, 2011.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Philip Jones", with a horizontal line drawn underneath the signature.

Philip Jones, Queen's Counsel

Serle Court
6 New Square
Lincoln's Inn
London
United Kingdom
WC2A 3QS
Telephone +44 20 7242 6105
pjones@serlecourt.co.uk

Ordinary Course Professional
For Lehman Brothers Holdings, Inc, et al
Debtors in Possession.

Philip Jones QC
Serle Court
6 New Square
Lincoln's Inn
London
UK
WC2A 3QS

Ordinary Course Professional for
Lehman Brothers Holdings, Inc *et al*,
Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al</i>,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
	:
	:
-----X	

CERTIFICATION OF PROFESSIONAL

I am Philip Jones, Queen's Counsel, an Ordinary Course Professional for Lehman Brothers Holdings, Inc (LBHI) and its affiliated Debtors in the above referenced chapter 11 cases (collectively referred to as **Lehman** or the **Debtors**). I hereby certify as follows:

1. I have read the foregoing application (**Application**).
2. To the best of my knowledge, information and belief, formed after reasonable inquiry, the Application substantially complies with the United States Trustee Fee Guidelines – Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330 (UST Guidelines) and the Administrative Order No 389 – RE: Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases (**Amended Guidelines**).

3. To the best of my knowledge, information and belief, formed after reasonable inquiry, except to the extent that fees or disbursements are prohibited by the Amended Guidelines or the UST Guidelines, the fees sought in the Application are billed at rates and in accordance with practices employed by me the Applicant and generally accepted by my clients.

4. LBHI and Lehman Brothers Special Financing Inc have been provided with a copy of the Application prior to the date set by the Court or any applicable rules for filing fee application, have reviewed the Application and have approved it.

5. No reimbursable services have been requested. In any event I do not make a profit on such services, even if provided.

London,
United Kingdom
Dated: March 30, 2011.

Respectfully submitted,



Philip Jones, Queen's Counsel

Serle Court
6 New Square
Lincoln's Inn
London
United Kingdom
WC2A 3QS
Telephone +44 20 7242 6105
pjones@serlecourt.co.uk

Ordinary Course Professional
For Lehman Brothers Holdings, Inc, et al
Debtors in Possession.

Annexure A – Time spent by Philip Jones during October 2010 on the ‘RASCALS litigation’.



serle court

6 New Square
Lincoln's Inn
London
WC2A 3QS

T +44 (0)20 7242 6105
F +44 (0)20 7405 4004
LDE 1025
clerks@serlecourt.co.uk
www.serlecourt.co.uk

**Professional Fees of
MR. PHILIP JONES QC**

Page no: 1

Weil, Gotshal & Manges LLP
One South Place
London
EC2M 2WG

DX: 124402 CDE

Solicitor ref: Hannah Field
Case ref: 069364

Date: 10 January 2011
VAT No: 440570963

RE: RASCALS APPLICATION - LBSF / LBIE (OCTOBER 2010)

01/10/2010	Preparing for trial 5.2 hrs	2,600.00
02/10/2010	Preparing for trial 6.7 hrs	3,350.00
03/10/2010	Preparing for trial 7.2 hrs	3,600.00
04/10/2010	Preparing for trial (2 hrs)	1,000.00
05/10/2010	Preparing for trial. Meeting with other respondents' counsel to discuss cross examination. (10.2)	5,100.00
06/10/2010	Preparing for trial (11 hrs)	5,500.00
07/10/2010	Preparing for trial (9 hrs)	4,500.00
08/10/2010	Preparing for trial (4.2 hrs)	2,100.00
10/10/2010	Preparing for trial (9.7 hrs)	4,850.00
11/10/2010	Working on case before Court (2.5 hrs) Attending Court (7 hrs) Working on case after Court (5.2 hrs)	7,350.00
12/10/2010	Working on case before Court (2 hrs) Attending Court (6 hrs) Working on case after Court (3 hrs)	5,500.00
13/10/2010	Working on case before Court (2.25 hrs) Attending Court (6.5 hrs) Working on case after Court (5.25 hrs)	6,950.00
14/10/2010	Working on case before Court (1.25 hrs) Attending Court (6.5 hrs) Working on case after Court (4.75 hrs)	6,200.00
15/10/2010	Working on case before Court (2.5 hrs) Attending Court (4.5 hrs)	3,500.00

Total Fees	C/FWD
Total VAT	C/FWD
TOTAL DUE	C/FWD

This fee note supersedes previous fee notes

Previously rendered on: See Above

Valid only when receipted

Please quote case reference number on all correspondence

Please make cheques payable to MR. PHILIP JONES QC and remit payment for the attention of the Fees Clerk.



serle court

**Professional Fees of
MR. PHILIP JONES QC**

Page no: 2

Weil, Gotshal & Manges LLP
One South Place
London
EC2M 2WG
DX: 124402 CDE

Solicitor ref: Hannah Field
Case ref: 069364
Date: 10 January 2011
VAT No: 440570963

6 New Square
Lincoln's Inn
London
WC2A 3QS
T +44 (0)20 7242 6105
F +44 (0)20 7405 4004
LDE 1025
clerks@serlecourt.co.uk
www.serlecourt.co.uk

RE: RASCALS APPLICATION - LBSF / LBIE (OCTOBER 2010)

(Continued from previous page)

16/10/2010	Working on case (8.5 hrs)	4,250.00
18/10/2010	Attending Court (3 hrs)	1,500.00
19/10/2010	Preparing closing submissions (8.2 hrs)	4,100.00
20/10/2010	Preparing closing submissions (7.2 hrs)	3,600.00
21/10/2010	Attending Court (6.5 hrs) Working on case after Court (4.2 hrs)	5,350.00
22/10/2010	Attending Court (6.5 hrs)	3,250.00
23/10/2010	Preparing closing submissions (7.2 hrs)	3,600.00
24/10/2010	Preparing closing submissions (6.7 hrs)	3,350.00
25/10/2010	Attending Court (6.5 hrs) Working on case after Court (4 hrs)	5,250.00
26/10/2010	Working on case before Court (2.2 hrs) Attending Court (6.5 hrs) Working on case after Court (3.5 hrs)	6,100.00
27/10/2010	Working on case before Court (2.5 hrs) Attending Court (6.5 hrs) Working on case after Court (6.2 hrs)	7,600.00
28/10/2010	Working on case before Court (4 hrs) Attending Court (6.5 hrs) Working on case after Court (5.2 hrs)	7,850.00
29/10/2010	Attending Court (3.5 hrs)	1,750.00

Total Fees	£ 119,650.00
Total VAT	£ 0.00
TOTAL DUE	£ 119,650.00

This fee note supersedes previous fee notes

Previously rendered on: See Above

Valid only when receipted

Please quote case reference number on all correspondence

Please make cheques payable to MR. PHILIP JONES QC and remit payment for the attention of the Fees Clerk.

Annexure B – Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
In re	:
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	:
	:
Debtors.	:
	:
	:
-----X	

ORDER AWARDING COMPENSATION TO PHILIP JONES QC

Upon consideration of the Application of Philip Jones QC for an Award of Compensation for the Period October 1 2010 to October 30 2010 (**Application**), relating to the above-referenced bankruptcy case for an award of compensation for professional services performed for the period of October 1 2010 to October 30 2010, and after notice and hearing thereon, and sufficient cause appearing therefore, it is hereby

ORDERED that the Application is hereby granted; and it is further

ORDERED that the Debtors pay to Philip Jones an award of compensation in the amount of GB£119,650 (US\$194,311.60) for professional services rendered to the debtors during the period October 1 2010 to October 30 2010; and it is further

ORDERED that the Debtors pay to Philip Jones GB£3,000 (US\$4,667.10) for the preparation of the Application (the aggregate of the amounts of GB£119,650

(US\$194,311.60) and GB£3,000 (US\$4,667.10) being the amount of GB£122,650 (US\$198,978.70).

This day of 2011.

United States Bankruptcy Judge

Prepared and presented by:
Philip Jones
Serle Court
6 New Square
Lincoln's Inn
London
UK
WC2A 3QS